

**ROUGH DRAFT FLOW CHART OF MULTISTATE VOLUNTARY DISCLOSURE PROCESS
V 1.2 (3-9-15)**

TAXPAYER or REP

1. Submits written application for Voluntary Disclosure to MTC NNP
2. A txp or txrep may begin process (and get protection from discovery) by simply requesting it without formal application, but the request must be in writing (email ok) and meet certain simple criteria. Protection from discovery dissolves on the fourteenth day if no formal, written application on our form is received.

MTC STAFF

3. File is opened (File may include multiple Cases depending upon number of states, tax programs)
4. NNP Director contacts TP or Rep to acknowledge receipt of application, answer questions, and be sure that the applicant knows that he is available in case of difficulty.
5. NNP Director assigns case to staff member
6. Assigned staff member contacts TP or Rep
7. Assigned staff member captures TP data and enters into database [This has many time-consuming sub-steps]
8. Assigned staff member gathers additional information from TP or Rep when needed
9. Assigned staff member prepares individual Exhibit 1 for each state (estimate of tax due)
10. Assigned staff member prepares individual Exhibit 2 for each state (description of nexus factors and other information)
11. Assigned staff member prepares Lookback cover page for taxpayer (lookback periods for all applicable states and tax types)

12. Assigned staff member creates draft Agreement with cover letter to TP or Rep, taking into account any non-standard needs expressed in the application, gets NNP director's approval if template language is changed, and sends to txp or rep for approval or counter-offer. NNP director negotiates with txp or txrep himself, and sometimes drafts, when issue is complicated. The associate director may do this, too.
13. Assigned staff member provides state-specific instructions for states that have special VDA procedures
14. Assigned staff sends packet to TP or Rep: cover letter, draft agreement, lookback page, special procedure instructions
15. Assigned staff member prepares final text on behalf of still-anonymous txp and sends to states for execution. Assigned staff member relays questions, answers, and counter-offers between taxpayer/rep and states. Usually there are not such communications because the contract is the standard template. Back and forth communication through the assigned staff member can greatly slow the process.
16. Executive Director signs the contract after state signs

TAXPAYER or REP

17. Reviews packet
Signs contract and sends returns and tax payments to MTC (counter-offers and negotiation are done at this point)

MTC Staff

18. Negotiation is done before txp or txrep receives the final contract. Sends copies of "finalized contracts to affected states and txp or txrep.

STATES

19. Accept, reject or propose counter offer to draft agreement
20. Send response to MTC staff
21. If approved, state will sign agreement, provide any necessary forms or give URL to get forms.

22. If disapproved, state may make counter offer or provide alternative resolution
23. State may have non-standard language or format
24. State may have revised lookback period [states almost always stick to their standard lookback periods. It's take standard policy or no deal.
25. State may need additional information

MTC Staff

26. Sends counter offer or rejection to TP or Rep, describes options
27. Assigned staff prepares packet for MTC Executive Director (special cover memo, MTC signature page, , states affected and good faith estimate of tax due)
28. Sends final packet to TP or Rep

TAXPAYER

29. Signs Agreement, submits to MTC with tax returns and tax payments for lookback period for each state. State later bills for interest, which the MTC does not record as revenue due to our work.

MTC Staff

30. Sends copy of Agreement, with appropriate returns and tax payment to each state